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BRAZIL; A COUNTRY STUDY

BY

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Assesses the political, economic and military factors in Brazil highlighting the country's drive for internal development and international influence. Discusses the relationships between the U.S. and Brazil with emphasis on the declining U.S. presence and influence..

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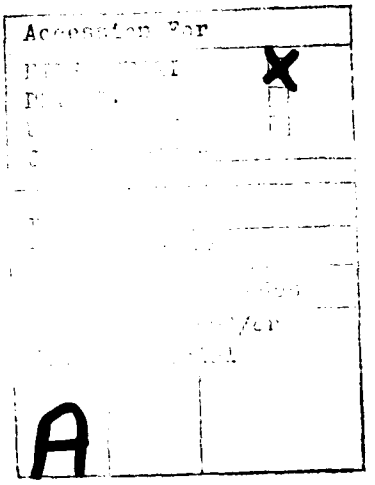
TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
BACKGROUND	5
POLITICAL ASSESSMENT	7
ECONOMIC ASSESSMENT	10
MILITARY ASSESSMENT	15
CONCLUSION	19
ENDNOTES	22
BIBLIOGRAPHY	25



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INTRODUCTION

> The United States is likely to have more reasons in the 1980's to conflict with capitalist Brazil than with Communist China.[1]

This statement dramatically emphasizes the enigma that Brazil has become to the United States and the potential for discord the U.S. can expect in dealing with Brazil in the 1980's as well as the years beyond. Brazil, termed by many a middle power with close and powerful Third World ties is fast becoming a major power soon to be comparable with the United Kingdom, Japan, and China. Unquestionably, Brazil is a superpower in Latin America.

Brazil's meteoric rise in political, economic and military influence among world nations should not come as a surprise to United States policy makers. The immense amount of natural resources, topographic diversity and geographic location alone give Brazil the ingredients to develop to major power even superpower status. But, these factors alone do not explain Brazil's growth. The people of Brazil, particularly its leadership, have compelling ambition for economic and military self-reliance. This drive for independence from external influence has resulted in rapid development of its resources for industrial growth.

Brazil has grown to be the most powerful nation in Latin America. It is sixth in world population, has the worlds tenth largest economy and potentially the eighth largest by 1985, is the second largest agricultural exporter, and ranks sixteenth in the world in military capabil-

ities.[2] No other Latin American nation even approaches these figures and Brazil continues to grow rapidly. Brazil has enjoyed an economic boom for almost two decades including the "economic miracle" of 1968-1973 when gross domestic product grew at an annual rate of over eleven percent.[3] It has developed a semi-sophisticated infrastructure of transportation, communications and hydroelectric power to support the expanding economy. Further, Brazil's natural resources are virtually untapped with only a small percentage of the potential having been used for economic development. Brazil's development, however, has not been limited to strictly internal or hemispheric activity.

Brazil has trade and military sales agreements with numerous African, Middle East, and Asian countries including the People's Republic of China and the Soviet Union while maintaining its traditional ties with the United States and Western Europe. Diversity, self-reliance, and economic growth are the cornerstones of Brazil's growing power.

Despite embarking on space and nuclear programs of significant proportions, Brazil's military force has been largely internal, primarily concerned with domestic politics, with virtually no intention of expanding influence or power by military means. It does, however, recognize a need to defend its borders against potential conflict from its many neighbors. Important to the military sector is its aviation industry which ranks tenth in the world, a large shipbuilding industry, and the export of military equipment including aircraft and armored personnel carriers. This progress has been motivated by Brazils huge expanse and the need to communicate via air, the long Atlantic coastline, and desire for economic growth. Of major military importance to the United States is Brazil's strategic location adjacent to the

Atlantic Narrows through which is shipped over one half of U.S. oil imports.

Brazil is a constitutionally created federal government; however, control is maintained by the military establishment. The military-civilian government generally enjoys good support from the population. Elections scheduled for November 1982, if permitted and permitted under democratic principle which seems unlikely, could foretell the degree of influence the military will continue to exercise. Brazil has severe internal problems that could cause the government considerable difficulty. Inflation is well over 100 percent per year and the distribution of wealth among its many diverse and remote peoples could cause major internal political conflicts. In addition, violations of human rights and denial of civil liberties have been points of contention between the U.S. and Brazil. However, they are only a sample of many potential areas of conflict.

Despite Brazil's growth as a world economic power and its strategic military value, U.S. presence and influence has decreased significantly during the last decade. While Brazil's trade with Africa and other regions including Latin America has risen sharply, trade with the U.S. has dropped. Over the last ten years Brazilian imports from the U.S. have gone from 30 percent to 18 percent.[4] United States and Brazilian defense relationships were once the strongest and oldest in the hemisphere, but have now been virtually eliminated, principally at the request of the Brazilian government.[5] The Peace Corps, Aid to International Development and other programs that project U.S. presence have also disappeared. This reduction in presence is accompanied by a proportionate reduction in influence and can be attributed to the Brazilian desire for self-reliance as well as the neglect of U.S. policy. But,

perhaps the U.S. is beginning to recognize the need to insure friendly relations with its South American neighbor.

In 1978 President Carter referred to Brazil as a "world power" and Assistant Secretary of the Treasury C. Fred Bergsten asserted that "Today Brazil is clearly one of the most important participants in the international economic system."[6] Despite this apparent attention, U.S. policy does not seem to increasing U.S. influence, indeed, influence decreasing.[7] As Brazil grows in status, takes a leading role in the South Atlantic, and becomes an important international actor, the national interests of the two nations have a high potential for conflict on trade, energy policy, nuclear and conventional arms proliferation, and access to capital and technology.[8] For U.S. policy, the question is can the United States continue to accept the decreasing presence and influence in Brazil without severe political, economic, and military consequences?

The paper assesses the political, economic, and military factors in Brazil highlighting the country's drive for internal development and international influence. Also included is a brief background section covering geography, demography and political and economic development. Of particular importance are the relationships between the United States and Brazil with emphasis on the declining U.S. presence and influence. The United States is placing increasing importance on activities in Latin America as recent events in the Carribean and Central America so graphically illustrate. Can the U.S. afford to continue to accept declining influence in Brazil?

BACKGROUND

Brazil is the fifth largest country in the world and sixth most populous. It shares common borders with every South American countr except Chile and Ecuador. Its Atlantic coastline extends 4500 miles more than 90 percent of the population live on ten percent of the l The largest rainforest in the world is located in the Amazon Basin. Gross National Product exceeds $200 billion annually and per capita income approaches $2,000.

Brazil was a land of ethnic Indians until discovered by the Portuguese in 1500. Slavery introduced blacks from Africa and since the mid-nineteenth century various Orientals and Europeans have immigrated, especially from Japan, Italy, Germany, Spain, Poland, and the Middle East. The Portuguese ethnic group forms the vast majority of the population in addition to contributing the national language and much of the socio-ethnic culture. Intermarriage is prevalent. Brazil has not had racial problems of significant magnitude.

Brazil's independence from Portugal was declared on September 1822 and functioned as a monarchy until 1889 when a federal republic was declared. From 1889 to 1930 political activity in Brazil was contained within a framework of constitutional democracy characterized by limited franchise. Between military coups in 1930 and 1964 there were a number of well known, progressive presidents, backed by the military, who worked for Brazil's economic development. Some even pressed for politi-

cal and social reform in the form of more equal distribution of wealth and human rights, but oppression and economic stagnation was more often the case. With the 1964 coup came the beginning of Brazil's emergence as a middle power. The "economic miracle" of 1968-73 catapulted Brazil into world prominence and since then Brazil has continued to grow economically becoming an important trading partner with countries throughout the world.

The current President is General (retired) Joao Baptista de Oleveira Figueiredo. President Figueiredo instituted the policy of abertura or a political opening of human rights, civil liberties and social reform. The government is a strong centralized system characterized by strong military backing. At this time there are no serious leftist internal uprisings or challenges to the political system; however, the potential for internal political strife is increasing. In November 1980, the Congress, which is very weak, adopted a Constitutional amendment calling for the direct election of state governors and of all senators beginning with elections in November 1982. However, recent developments indicate that the government is manipulating the elections to insure the ruling party will remain in power. True democratic elections apparently will not be held. The outcome of this could mean serious political unrest.[9]

POLITICAL ASSESSMENT

The military coup on 31 March 1964 led to a civilian-military dictatorship under the presidency of five successive generals, the current being Joao Baptista Figueiredo. Between 1964 and Figueiredo's election in 1978 the military regime exerted strict repression of human rights and civil liberties while forming an economic boom at the expense of the working class and poor. Political power was assured through a carefully structured two party system consisting of the official government party and a powerless opposition party. Incarceration, torture, and death of the leftist opposition was commonplace. But Figueiredo's election brought new policies of liberalization and democratization that have brought considerable relief. Unfortunately, they fall short of the promised democratic process.

Termed abertura or the opening of democratization, Brazil was the Latin American showcase for returning military rule to civilian hands. But the important adjunct "decompression" - meaning to take the pressure off the top with only limited participation from the bottom - insured there would be no democracy. But abertura did work to some extent.

Censorship of the press was lifted, exiles received amnesty, presidential controls over Congress eased, a multiparty system replaced the contrived dual party arrangement, and gross abuse of human rights and civil liberties decreased. An important part of the abertura policy was to be the local elections of 1982 for governors and senators who would

also form the presidential electorate in 1984. But, this vital aspect of democratization will not take place and the present military-civilian regime will continue to rule through 1991 barring major unforeseen developments.[10] Pressure by the military caused Figueiredo's reversal on this issue.

The military had never been a great supporter of Figueiredo's abertura; however, they did recognize some liberalization was essential to stem rising unrest. The supporters of the dictatorship; the United States, multinational corporations, the nation's elite, and a large portion of the salaried middle class, had become attuned to the need for liberalization because of the country's economic and financial difficulties. High foreign debt and runaway inflation were the major factors affecting these supporters directly, and abertura to some extent, was to appease them. But, apparently Figueiredo went too far and the military reacted to increased leftist activity that abertura now allowed. Terrorist ist bombings in April 1981 rocked the country and international community both, because it was apparent that the bombings were the work of the rightist military fighting leftist activists. This rather bizarre turn was denied by the military, but one military general who fought for a full investigation was Golbery do Couto e Silva, who was the principal architect of abertura. But Goldbery resigned in August 1981 over major democratization issues that went against abertura. The foremost issue was tough anti-inflation measures of Planning Minister Delfim that seriously hindered the attempt for free elections in 1982. The resignation of Golbery signaled the end of any hope for democratic elections or complete liberalization and democratization.

In December 1981, President Figueiredo released proposed election laws that ensure a government party victory in 1982. The proposed laws

were assured passage in Congress, thus the future of democracy in Brazil will remain in the hands of the military. Despite this, the partial liberalization of human rights and civil liberties remains a major success of abertura. The liberalization of human rights removes one of the major conflicts between Brazil and the United States.

The Reagan administration seems to have put Brazil on the back burner. In a key policy address in June 1981, Thomas Enders, assistant secretary of state for inter-American affairs, dwelled at length on Mexico and Cuba, but dealt with Brazil in only two sentences. "The Presidents choice for ambassador to Brazil, an Alaska businessman, is widely seen as repaying a political favor to two Republican senators from Alaska."[11] Brazil rebuffed overtures for support of U.S. policy in El Salvador and sent a full team to the Moscow Olympic games. Brazil also ignored the United States call for a grain boycott, and indeed, in 1981 signed contracts with the Soviet Union to provide enough soy so that the USSR will no longer need to import any from the United States.[12]

The number of Americans living in Brazil has dropped from 16,000 to 10,000 over the last five years and the United States has ceased all bilateral aid and phased out the Peace Corps and AID programs. In addition, U.S. proposals for a South Atlantic pact which would help secure the route of one-half of U.S. imported oil was rejected by Brazil.[13] The Reagan administration faces further conflict with Brazil on other political issues including African policy which differs significantly on Angola, Mozambique and South Africa. Brazil can be expected to manifest these differences in multilateral forums as it looks more to the Third World and expanding global interests.

ECONOMIC ASSESSMENT

With one glaring exception, Brazil is rich in all economic resources needed to build a strong economy capable of exerting significant influence in international trade. It currently has a substantial industrial base in consumer products and heavy industry, is the second leading agricultural exporter, and is third in the world in cattle production. Brazil's GNP of over 200 billion ranks tenth in the world and it is gaining, enjoying growth rates of 8-10 percent annually.[14] But, Brazil's very critical lack of oil has caused runaway inflation reaching 120 percent in 1981.[15] This is coupled with a foreign debt of almost bankruptcy proportions. However, Brazil appears to have instituted fiscal and monetary policies that will successfully combat these problems and is working in earnest to develop alternate sources of energy.

Over 80 percent of Brazil's daily needs of 1.1 million barrels of oil a day is imported. Because of limited coal resources and small natural gas production, petroleum furnishes 52 percent of Brazil's total energy needs, while accounting for 50 percent of its export earnings. Few observers see any reason to expect more than a modest reduction in foreign oil dependency; however, if it becomes feasible to exploit shale oil, Brazil has the second largest deposits in the world.[16] The need to import oil has caused a growing foreign debt that is the largest of any developing nation, over $52 billion, and Brazil must continue to borrow

just to service the debt.[17] Brazil's foreign debt, according to one observer, has already reached the maximum it can safely carry.[18] This is in contrast to the economic miracle of 1968-74 when Brazil's GNP grew at phenomenal rates as high as 14 percent.[19] But now loans are more difficult to obtain and shorter term with higher interest rates. Only very recently, however, there are indications that Brazil has turned the inflation and debt situations around and in so doing are gaining renewed confidence of foreign bankers.

Planning Minister Delfim has instituted major economic reform including raising gasoline taxes to the point that the price of $3.60 per gallon is the fourth highest in the world. This measure is designed to not only reduce consumption, but to spur greater production of alcohol fuel made from sugar cane. The goal is to have half of all new vehicles using alcohol by 1982.[20] U.S. Congressional delegations in 1980 and 1981 were very impressed with the results of Brazil's alcohol program and the drive to reduce the use of gasoline in vehicles. Other anti-inflationary measures include restrictions on imports and an increase of exports by 25 percent in 1981.[21] Other policies sound familiar to Americans; vetoing bonuses rather than print money, cutbacks in social security, and clamping down on domestic expansion. These steps have led to expected recession and unemployment, particularly among autoworkers, but the strategy appears to be working. In May 1981 Brazil showed a trade surplus and continues to do so. The inflation rate was steadily dropping and may have fallen below 100 percent when the 1982 statistics are released. This success has created a favorable impression on foreign bankers and confidence in Delfim and the Brazilian economy is growing.[22] As recently as March 1982 it was reported that

"most bankers perceive Brazil as a better risk than a short while ago."[23]

While domestic constraint is apparently easing foreign debt troubles and inflation, energy initiatives other than alcohol are actively being pursued including nuclear power and hydroelectric power. Brazil is undertaking a $25 billion nuclear power program, primarily of West German and United States design. The first nuclear power station is operational and the Reagan administration seems to be relieving the nuclear export restrictions of the Carter era which was a source of considerable Brazilian-U.S. conflict.[24] Although only ten percent of Brazil's hydroelectric power has been tapped, it is pursuing an aggressive development program such as the Itaipu Dam which together with other projects will replace 60,000 barrels of imported oil daily.[25]

Brazil's increasing foreign trade clearly demonstrates its drive for international status. The developing nations of Africa are very important to Brazil's trade policy. In the decade of 1971-81 African trade increased sixfold. Cultural ties with the five Portuguese speaking nations and racial ties with black Africa have helped to promote an effective relationship. Today, Brazil trades more with Angola than neighboring Peru. In the early 1980's, the Brazilian foreign minister led trade delegations to Mozambique, Angola, Tanzania, Zambia, Zimbabwe, Nigeria, and Senegal.[26] In 1980, Nigeria was the largest importer of Brazilian made Volkswagons, now sold in 22 African countries, and mutual trade for 1981 was expected to exceed $2.5 billion.[27] Brazil has also sought greater markets in South America.

In what was viewed as a major reversal of policy, President Figueiredo traveled to Peru in June 1981 and prior to that Chile and Columbia. Other trips to Latin American countries were planned, essen-

tially breaking the former isolationist policy. In every case the President is accompanied by Brazilian businessmen who have discovered Latin American export markets. In 1980 Brazil exported more to Latin America than to the United States.[28] The emphasis in Africa and Latin America has not been to the exclusion of other countries.

On 15 July 1981 Brazil and the Soviet Union signed a five year $6 billion trade agreement; Brazil primarily exporting foods stuffs and importing Soviet oil.[29] Libya has bought 200 Brazilian light armored tanks, China has purchased 1000 computers, the Phillipines bought sugar cane alcohol distilleries, and in Iraq 3000 Brazilians are building a 350 mile 1.2 billion rail and highway system.[30] This international activity is indicative of Brazil's ambition for international status, less dependence on the U.S. and more global influence. It is occurring while trade with the United Stated decreases. Brazil imports agriculture, aircraft parts, electrical components, and medical equipment from the U.S. while the U.S. imports coffee and petrochemicals. The volume of Brazilian-U.S. trade has dropped from 30 percent to 18 percent during the past ten years.

Brazil's manufacturing and industry produce one-third of the GNP while employing 20 percent of the workforce.[31] Petrochemicals are a major industry along with aviation, military equipment, steel, automobiles, and shipbuilding. Brazil was 13th in the world in 1979 in industrial output, above any other Third World country, and enjoyed a 1970-76 growth rate of 11.6 percent.[32] The success of agriculture has led importantly to Brazil's overall growth and Brazil is now second to the United States in agricultural exports. Soybeans have overtaken coffee as the number one export crop.[33] Brazil's tripling of agricul-

ture production during the 1970's underscores the vast resources of this growing nation. "It uses 15 percent of its available land, 15 percent of known hydroelectric potential and has exportable surpluses of virtually all known mined minerals."[34]

This huge wealth includes the largest deposit of high quality iron ore in the world, deposits of one billion tons of copper, 60 million tons of manganese, 47 million tons of nickel, 40 million tons of bauxite, and over 900,000 tons of tin.[35] In addition, recent gold discoveries may be of sufficient magnitude to be a major offset of the cost of imported oil.[36] Brazilians are beginning to develop these resources, mostly with borrowed money and technology. But, banks are becoming willing lenders once again as the potential wealth of Brazil is gradually revealed.

MILITARY ASSESSMENT

There are two major aspects of Brazil's military status and posture. The first is Brazil's internal focus on the use of the military as an instrument of power. The second, and critical to United States interests, is Brazil's strategic location in the South Atlantic.

Brazil has avoided foreign war having engaged in only five since becoming independent in 1822. This encompasses both World Wars including committing 20,000 men to fight in Italy in World War II. Brazil also supported the United States' position in the Dominican Republic in 1965 and sent troops to the Inter-American Defense Force.[37] However, Brazil's military emphasis is largely internal. Indeed, Brazil has essentially practiced an isolationist policy in South America until only recently when trade and economic overtures were made to its Spanish speaking neighbors.[38] The internal focus of the military far exceeds the political involvement.

The military has traditionally served as a training ground for the elite. It also has formed the framework for establishing a variety of civic action projects, literacy training, medical training, vocational training, and the planning and supervising of construction of utilities, transportation and communications systems. Military service is compulsory at age 21 for all males and continues to age 45. The first nine years are active duty and the remainder is with the reserves. In order to qualify for public office a man must have served in the military or

been exempted.[39] Despite the primary internal focus of the military, the value of an effective defense has not been neglected.

Brazil is by far the top military power in South America and in all of Latin America depending on how Cuba is evaluated. It ranks 16th among world powers and is well on the way to becoming self-sufficient in both coventional and nuclear arms. Indeed, Brazil's national drive for self-sufficiency is most apparent in the military sector where it now exports military aircraft and armored personnel carriers.[40] A capability analysis of Brazilian military power by Max G. Manwaring indicates that even though Brazil is 16th ranked, the disparity between Brazil and the top ten nations is quite large. But, Brazil is classified as a superpower in Latin America and, most significantly, the trend is increasing Brazilian military power at a rate faster "than all but the most defense oriented countries." This is due to Brazil's potential for nuclear capability, the rise in the size of the armed forces, an increase in power projection from improved sealift and airlift capabilities, and improvements in the infrastructure of the country.[41]

The growth of the aircraft and shipbuilding industries has contributed significantly to Brazil's military power. Brazil ranks tenth in the world in aviation and twelfth in sealift capability.[42] Its state controlled airplane company, Embraer, is the worlds sixth largest general airplane manufacturer and the only non-American among the top ten. The Brazilian navy, while limited to the Amazon Basin and coastal patrol at present, has developed the world's second largest shipbuilding industry and apparently seeks to extend its naval reach beyond a coastal patrol capability. Anti-submarine surveillance and anti-submarine warfare potential are of crucial interest to United States

security policy in the South Atlantic.[43]

Nuclear capability is another factor influencing Brazil's high military rating, but here the U.S. and Brazil have conflicted over nuclear arms proliferation. But, Brazil's neighbor, Argentina, proposes to have a nuclear capability now. Argentina has been acclaimed by some as the leading nuclear power in Latin America and has refused to sign either the worldwide nuclear Non-Proliferation Treaty or the regional Treaty of Tlateloro. Brazil's intentions appear to be to match Argentine capability. Both nations are nuclear suppliers to other countries in their own right as evidenced by a Brazil-Iraq agreement.[44] In addition to nuclear might, Brazil has also embarked on a space program of moderate dimensions that has attendant military potential as it continues to diversify and expand.

Brazil's military expansion would seem contradictory considering its history of relative isolationism, noninvolvement, and the relatively low potential for external aggression of its borders. The topography of jungles, mountains, and the coastal Great Escarpment make most of Brazil difficult to access. The southern borders with Uraguay and Argentina are more vulnerable than the rest of the borders and traditionally one-half of the Brazilian army has been stationed in the South.[45] The real crux of Brazil's military status from a United States security policy view is its strategic location.

In 1978 testimony before the House of Representatives Subcommittee on Inter-American Affairs the Director for the Inter-American Region, Office of the Assistant Secretary of Defense for International Security Affairs, Rear Admiral Gordon J. Schuller, stated that "U.S. military objectives [in Latin America] are to preclude establishment of military power bases hostile to U.S. interests, maintain access to regional

resources, avoid intraregional hostilities, and to maintain secure lines of communications."[46] Admiral Schuller also acknowledged the low priority Latin America has in U.S. security policy citing Europe, the Middle East, and Korea as requiring more U.S. effort.

Brazil is a key nation in securing the sea lines of communication (SLOC's) since it is located along the Atlantic Narrows through which flows one half of United States oil imports.[47] In addition, the northeastern part of Brazil can be a useful air link from the United States to the Middle East via Africa as it was in WW II.[48] In this case, overflight and landing rights could become important to the U.S.

The potential military significance of Brazil and Latin America does not appear to have been translated to effective U.S. security policy. From 1968-1978 U.S. military presence in Latin America decreased to about ten percent of what it had been and in Brazil there is virtually none except members of the embassy staff. This has occurred while third country advisers are on the increase. For example, in 1978 there were more Soviet advisers in Peru than the combined total of all U.S. programs in Latin America.[49]

It must be noted that the decline of U.S. presence seems to be a part of Brazilian foreign policy. In 1977 Brazil broke a 25 year old military supply and training agreement with the U.S.[50] In 1981 the Brazilian Foreign Minister stated "that while there may be areas for military cooperation between the two countries, he did not feel there would be advantages in setting up treaties covering military cooperation."[51] This attitude together with apparent United States indifference toward Latin America in general and Brazil in particular does not lead to expectation of mutual security cooperation with Brazil in the foreseeable future.

CONCLUSIONS

By any measure Brazil is a rapidly growing regional and world power exerting ever increasing influence throughout the world. Currently termed a middle power, it will unquestionably achieve major power status, perhaps in this century, equal to the United Kingdom, Japan, and West Germany. Already a superpower in Latin America it is unlikely Brazil will challenge the United States and Soviet Union as a global superpower, but clearly Brazil only lacks oil to have an abundance of all ingredients to achieve that status, including an ambitious, aggressive government.

Although Brazil has not become a true democracy and will not in the near term, it enjoys stability and the support of the people with relatively little political unrest. However, the potential for internal conflict is ever present because of the socio-economic imbalance centered on inadequate distribution of wealth and political power. The economic difficulties currently facing Brazil have aggravated this situation because of the stringent remedies required for solving them.

Triple digit inflation and high unemployment have their greatest affect on the lower working classes and poor and these economic conditions must be eased if Brazil is to avoid internal unrest and major upheaval over the long term. The current actions being taken by the government have resulted in renewed international confidence in Brazil's economy and appear to be leading to much improved internal economic

conditions. The most severe problem of lack of domestic oil is being systematically attacked. The success of the sugar cane alcohol program and other measures together with development of Brazil's vast natural resources, may alleviate the great burden that imported oil places on an otherwise healthy economy.

Brazil has begun to exploit its resources, is building an imposing industrial capacity, and is becoming a major trading partner around the world, particularly with Third World nations. Its policy of self-reliance and independence has led to greater global influence and there is every reason to expect that its power and influence to continue to grow at a rapid rate. Brazil appears to be in the infancy of its growth to a modern industrial state. While Brazil has been rapidly advancing as a world power, its relationships with the United States have steadily declined. Economic trade has dropped substantially over the past ten years and United States presence in Brazil has decreased to a very small number with limited influence. Military relationships have similarly decreased despite the U.S. recognition of Brazil's strategic location and growing military power. With the present atmosphere, it would be unrealistic to expect Brazil to be willing to enter into military cooperative arrangements such as overflight and base rights or major military hardware sales. The United States appears to be making a greater effort to maintain strong relations with Brazil as evidenced by Vice President Bush's visit in 1981. But the evidence is clear that Brazil has not enjoyed a high priority on the foreign relations agenda of any recent administration.

The steady decline in United States-Brazilian relations seem to be in keeping with Brazil's desire for greater autonomy and self-

reliance. But the United States remains Brazil's single largest national market, largest supplier, largest source of bank finance, and largest foreign investor.[52] As long as Brazil's economic problems persist, President Figueiredo and the military will seek favorable relationships with the United States. As Brazil develops and becomes even more independent of U.S. economic strength, it will be imperative to U.S. national interests to maintain effective relations with Brazil. This will be a very challenging task. As one authority states, "Brazil challenges the creativity of U.S. statesmanship."[53]

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